

## BIG MILK DEALERS MUST SHOW BOOKS

Subpoenas Served on Companies to Produce Accounts at State Inquiry.

### 1910 INDICTMENTS FOUND

District Attorney Swann Considering Course to Pursue Against Eight Men.

The Wicks committee, authorized by the last Legislature to milk the truth out of the dairy business, will come to town next Friday. Senator Charles S. Wicks of Sauquoit and his associates have been listening to the testimony of farmers, dairymen and other experts on the question of production up the State and intend while here to hear the distributors' side of the story.

All the big retail milk companies have been served by Daniel Breitenstein, sergeant at arms of the committee, with subpoenas calling for the production of their books and data before the committee when it meets at the City Hall. The books are to be turned over to expert accountants for examination. James Bronner is counsel for the committee.

Besides Chairman Wicks, who is a farmer, the investigators are: Senators Morris S. Halliday, lawyer, of Ithaca; N. Monroe Marshall, banker, of Malone, and Daniel J. Carroll, manufacturer, of Brooklyn, and Assemblymen H. Edmund Macphail, farmer, of Ellensburg; Walter W. Law, Jr., real estate, of Briarcliff Manor; Henry L. Grant, cheese merchant, of Copenhagen; Daniel P. Witter, farmer and teacher of scientific agriculture, of Berkshire; and Frank J. Taylor, real estate, of Brooklyn.

The Legislature appropriated \$25,000 to prosecute the investigation. "That amount of money used to start a creamery in New York," the *Rural New Yorker* said some time ago, "would have been ten times as practical an investment, but let us see that the investigation is not a waste of time." Since this was first said the light the committee's investigations have covered sixteen counties.

**Old Inquiry Recalled.**  
Former Attorney-General Edward R. O'Malley's investigation in 1909-10 into conditions surrounding the production and distribution of milk, which was brought about by the action of retail milk dealers in New York city in raising the price of milk one cent per quart, disclosed many interesting statements by witnesses which are being repeated in the present milk controversy.

William Grant Brown was appointed by Justice Seabury to take the testimony and John R. Coleman conducted the hearing as a special Deputy Attorney-General.

The most important result to the consuming public accomplished by the investigation was the reduction of the price of bottled milk from 9 to 8 cents a quart. The price has since been restored to 9 cents and distributors are threatening to boost it still further, providing they have to raise the rate to the producers, and the latter say they must have more money in the future or else they will have to go out of business.

Another result was the finding by a special Grand Jury in New York county in 1910 of individual and blanket indictments against eight members of the board of directors of the Consolidated Milk Exchange for violating the provisions of the anti-monopoly act. These

THIRTY young men who have been studying in the summer school of Columbia University boarded the U. S. S. Wasp in the North River yesterday and started for Gardiner's Bay. There they will be transferred to battleships of the fleet which is being used to give a thousand civilians an educational cruise.

The other rookies from New York departed Wednesday on the battleships Maine, Kentucky and New Jersey. As the Columbia summer school did not close until Friday, its students could not get away.

But Lieutenant-Commander R. R. Riggs of the New York Naval Militia, a former officer of the United States navy, got permission to use the converted yacht Wasp as a transport for the belated thirty. Riggs is in command of the Wasp for this trip. Most of the crew are members of the Naval Militia.

The photograph shows the students waving good-by after boarding the Wasp.



Indictments were dug out of a pigeon-hole by District Attorney Edward Swann after he took office. He is now trying to figure out what to do with them.

Shortly after the hearings began and facts were developed regarding the operation of the Consolidated Milk Exchange and its manner of fixing prices, the officers of the company had its license cancelled and the exchange withdrawn from the State, thus getting out of the jurisdiction of the New York courts.

**Selling Prices Fixed.**  
In his report to the Senate concerning the investigation Mr. O'Malley said that the evidence showed that the producer desiring to sell his milk in the New York market "was compelled to sell either at Borden's or the exchange prices, which were practically identical, and if not satisfied with either of these he was compelled either to manufacture his milk into butter or cheese or market it with unknown and oftentimes irresponsible dealers."

"On account of these conditions," the then Attorney-General continued, "many farmers have stopped producing milk and there exist many abandoned dairy farms throughout the State."

"The evidence further shows that the average price paid by the exchange and Borden's for the years 1908 and 1909 was from 2-1/2 to 3-1/2 cents a quart. The average cost of production during the same period, as testified to by the producers, was 3-1/2 cents a quart. They were unanimous in agreeing that they were selling milk for about what it cost to produce."

"The figures as to cost of production given by the producers are substantially

the same as those given by the witnesses called, who were dealers and also producers, all agreeing that it costs from 3 to 4 cents to produce a quart of milk. The result is that the business of producing milk is not a profitable one for the metropolitan market. The producer has no voice in making the price at which he may sell his milk."

It is admitted by everybody who has to buy supplies or hire labor that prices have gone up since the milk investigation six years ago. The farmer pays more for feed for his cows and the hired man gets higher wages. This general increase in the price of almost everything must also be considered in calculating the expense of distributing to the retail milk dealer, because the list of things that he buys is a long one. The supply bill of the Borden people today, they say, shows an increase of 15 per cent over the prices of a year ago, and this applies to all distributors.

An announcement of Borden's Consolidated Milk Company that "milk" cost it an average of 3.69 cents per quart for the fiscal year ending June 30, 1916, is interesting in the light of the testimony back in 1909 that the cost to the farmer of producing a quart of milk at that time was 3.53 cents per quart.

The testimony brought out the fact, according to Mr. O'Malley's report, that the price to the consumer was jacked from 8 to 9 cents a quart, though the average price paid for the year 1909 by the distributors to the producers "was slightly less than paid during the previous year to the producers."

"The increase to the producer," he added, "was only one-fourth of a cent, while the remaining three-fourths of a

cent increase was retained by the dealers."

There were disclosures as to profits taken by distributors in the milk business which are greatly similar to the stories which the Up-State producer is now telling about present day metropolitan retailers.

"According to the information gathered by Mr. Scudder, the expert accountant," said Mr. O'Malley, "one company showed net profits on fluid milk alone, sold in New York and Chicago for the nine months ending September 30, 1909, of \$175,497.92, and for the corresponding nine months during the year 1908 of \$139,924.89, showing that during the same period in 1909 the net profits on fluid milk alone in New York and Chicago, increased \$240,573.12 over the preceding year. This company's total net profits for the year ending September 30, 1909, were \$2,617,029.40. The total capital stock of this company, issued and outstanding during that year, was \$25,000,000, of which \$10,425,408.46 was issued for trademarks, patents and good will. This company during the ten years of its existence paid nearly every year a dividend of 6 per cent, on its common stock and during that time has succeeded in rolling up a surplus of \$8,824,230.59 in addition thereto."

Discussing the milk question academically in his report, Mr. O'Malley said, and he had the big distributing corporations in mind:

"Effective organization of effort can produce and distribute any article of common necessity cheaper than the individual. Therefore organization, in and of itself, by reason of the fact of the channelling of articles of consumption, is

not a primary evil, but it is the abuses of organization, such as raising prices after competition has been stifled, with which the State must deal.

"The old legal maxim, 'There is no wrong without a remedy,' is still in force. Undoubtedly this investigation discloses that a positive wrong exists, and the paramount duty of the State is to find a remedy for that wrong."

**Swann Also Investigating.**

District Attorney Swann is investigating along the lines of 1909-10 to find out what's wrong, and where and how to apply a remedy. The National Housewives League is threatening out the question with the distributors and producers of milk in order that the housewives of the State may understand the economy of it all. The Wicks Senate committee has been digging into the problem up State and will come to New York next Friday for the purpose of setting the metropolitan idea, as held by the big milk companies and others, why the producers should receive so little for milk and the consumers should pay so much.

Commissioner John J. Dillon of the State Department of Foods and Markets is making an investigation of his own with the power of the State back of him. He sympathizes with the farmer, and insists that the producer is entitled to more money for his product. He sees no reason why he shouldn't get it without an increase in price to the ultimate consumer. With this end in view he suggests that farmers of a community form organizations to act as selling agents of their entire output, and points out a way whereby the State Department of Foods and Markets will dispose of their

product to the distributor on the most advantageous terms.

### FARMERS LOSING MONEY

Wicks Reports Few Break Even in Milk Production.

UTICA, N. Y., Aug. 18.—Senator Charles W. Wicks, chairman of the legislative committee which is conducting an investigation into dairying conditions in New York State, to-day asserted a situation was being unfolded which demanded the most serious attention.

"We have held forty hearings," he said, "and examined perhaps one hundred producers, taking them as they ran, some of them doing fairly well and others running their dairies and not breaking even. As the situation stands to-day it is serious. I should say that 25 per cent. of the farmers are living on the last end of their capital."

"I mean by that that their buildings are run down and that they are on their last legs, so to speak, with a break probable before long unless some improvement is obtained. There is another 25 per cent. who are making a bare living. The third 25 per cent. are getting an ordinary labor return from their efforts, while all the family, the children and the wife work for nothing."

"The fourth 25 per cent. are making money through blooded cattle and the possession of exceptional market privileges. You see from this that the farmers as a class in this State are not doing well. This is reflected in the fact that New York has fallen to second place as an agricultural State—Wisconsin now occupying the first place."

The Senator was asked as to the cause of the farmers' difficulties. He said: "I may have to revise my opinion when the facts are all in, but one thing I have observed is that the milk purchasers are organized and handle the business efficiently, while the producers are all acting independently and taking as a whole are in a state of chaos. The purchaser at the present time can buy practically at his own price. The system in vogue of barn scoring, duplicate inspection and penalizing also makes it hard on the dairymen."

"Farmers should organize and sell through their own salesmen, and thus secure an equal distribution of the profits among all the factors handling the product."

### TRIP TO MOSQUITO FRONT.

New Yorkers Have Chance to See Battle on Jamaica Bay Marshes.

New Yorkers may see what is being done toward draining the salt marshes of Jamaica Bay and ridding Brooklyn and Queens of infesting mosquitoes by a trip of inspection which is being planned by the Queensboro mosquito extermination committee over the 1,500,000 feet of drainage ditches dug around the swamps.

This trip is to be held next Saturday. New York appropriated \$100,000 last February to rid Brooklyn of mosquitoes and work was begun in May. About 25,000 feet of ditches are being dug every day with a new power machine invented by H. I. Eaton, and some 2,000 acres have already been drained. The entire 8,000 acres of breeding grounds will be dry by autumn, it is expected.

The inspection trip is to start at 2 o'clock, and Dr. Haven Emerson, Commissioner of Health, will be present.

### BREMEN AGAIN STIRS NORFOLK.

Arrival of Tug That Towed Deutschland Revives Hope.

NORFOLK, Aug. 19.—Arrival of the tug Hansa, formerly the Thomas F. Timmins, here to-night for bunker coal, revived a rumor that the German submarine merchantman Bremen was about to come in through the cape.

The tug conveyed the Deutschland during her stay in American waters, but the captain said to-night he was taking coal because he was under charter to tow mud scows to Baltimore.

### WOMAN BOARDS SHIP FROM TUG

Harrying Home After Learning Son Is Missing in War.

Mrs. Philip Templeman, whose husband is head of the Templeman Steamship Company of St. John's, Newfoundland, learned yesterday morning that her son Donald, a member of the Newfoundland contingent at the front, was missing. She decided to go to St. John's, where her family lives, but found she had only an hour in which to catch the steamship Florisel, leaving for that port. She made all haste to Pier 32, Brooklyn, but arrived only to discover that the ship had been out in mid-afternoon five minutes. She hastily chartered the tug W. A. Smith and managed to catch the Florisel, mounting the side by means of the ship's ladder.

### Postmaster Fight Ends.

WASHINGTON, Aug. 19.—The Senate Post Office Committee decided today to recommend confirmation of the nomination of J. F. Kerberg for postmaster at Sioux City, Ia., which has been held up for many months. Objections by Representative Steele of Iowa have been withdrawn.

## \$2.00 Per Day Now Buys A GUARANTEED ONE-TON TRUCK

With Any Type of Body You May Require

It Will Earn \$5.00 or \$10.00 a Day Doing Any Kind of Work, or It Will Save You That Amount in Hauling Cost

You can, therefore, pay for this truck out of the money it saves you.

You need not go without a truck because you haven't the money, because the Redden-Ford will pay for itself.

The Redden-Ford One-Ton Truck is built for heavy service. It is not a so-called "light delivery wagon" with pleasure car tires and axle, but is a husky one-ton truck with solid truck axle, truck wheels and solid truck tires so constructed as to utilize the wonderful Ford engine as a power plant.

Its cost of operation is about the same as a Ford pleasure car and about one-half that of the ordinary one-ton truck. Built by truck experts and backed by a reliable house and our well-known service.

The price of the "Redden-Ford" one-ton truck, chassis complete, is \$675 f. o. b. Detroit.

If you already have a Ford, all it will cost you is \$350 f. o. b. Detroit, for this sturdy, reliable one-ton truck. This is about one-half of what other equally reliable one-ton trucks cost and the maintenance is only about one-half as great.

When you can buy such a reliable truck made by such responsible people on a small cash payment and the balance at \$2 a day, you cannot afford to be without one.

Hundreds of them in use—let us give you the names of satisfied owners.

### Redden Motor Truck Company

16 West 61st Street, New York.

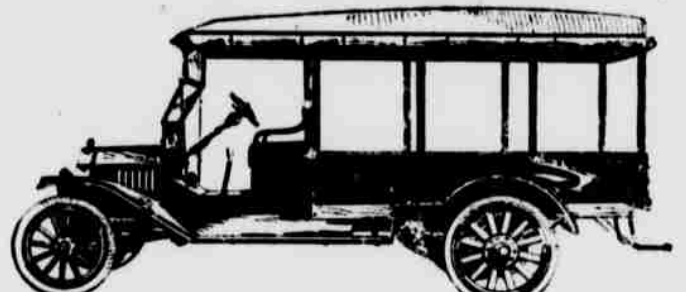
Phone—Columbus 9027

Manhattan Distributors:  
Lincoln Motor Car Co., Inc.  
136 West 52d St.  
Phone Circle 2405.

Brooklyn Distributors:  
Overfield Auto Co.  
1104 Bedford Ave.  
Phone Bedford 8417.

Westchester County Distributors:  
Washburne Motor Truck Co.  
Ossining, N. Y.

We are closing territory rapidly, and dealers are requested to phone, wire or write for our proposition.



Equipped with any type of body, 10-foot loading space.

# The Evening Sun.

The Brightest The Newsiest  
The Most Complete  
Evening Paper  
in New York

TO INSURE GETTING IT EVERY DAY, LEAVE A  
STANDING ORDER FOR IT WITH YOUR NEWSDEALER